U.S. Representative John Campbell made a statement which aims provide legislation deliberated to shrink too-big- to-fail banks by compelling them to hold more capital including long-term debt.

Lawmakers and regulators from Federal Reserve Governor Daniel Tarullo came to an argument about the failure of 2010 Dodd-Frank Act to deterrent the growth of large banks and connoted support for renewed efforts to limit the kind of systemic risk that charged up the 2008 financial crisis.

"Being big is not a problem in and of itself, but being big in a sense that it creates a competitive disadvantage and a systemic problem is a bad thing," Campbell, a California Republican, said in an interview today with Bloomberg Government.
"If you want to stay big that's fine, you can stay big. But it's going to be rather expensive."

Three of the four largest U.S. banks JPMorgan Chase & Co., Bank of America Corp. and Wells Fargo & Co. are bigger as a company keeping in view the 2007 records. **Campbell's** bill requires banks $50 billion in assets to hold an additional layer of capital in the form of confounded long-term bonds totaling at least 15 % of amassed assets if credit-default switches on the new long-term devastated debt makes a closure at an average of more than 100 basis points, or 1 % age point, over the last 30 days.

In the past 30 days, Five-year swaps on subordinated debt on the four largest U.S. lenders – JPMorgan, Bank of America, Wells Fargo and Citigroup Inc. have exchanged above 100 basis points. Five-year swaps on senior debt of Goldman Sachs Group Inc. and Morgan Stanley, the fifth- and sixth-biggest U.S. banks by assets, also above that doorstep.

Campbell also alleged that the use of credit default swaps will aid gauge when regulators will walk inside and assess a bank's jeopardy. Under **Campbell's** bill it is also mentioned that if the price of a bank's credit-default swaps crosses more than 50 basis points, Fed would have to take steps check out to the firm's stability.

“We want this layer of debt to effectively be the canary in the coal mine,” he also said.

The Federal Reserve and the Federal Deposit Insurance Corp. are also hold on to similar proposals. The two regulators had initial discussions on a rule that would require to hold to companies for the largest U.S. banks to maintain a perpetuate amount of a long-term debt.

The shares of JPMorgan Chase & Co.(NYSE:JPM) were up by 0.45% and currently trading at $48.90

The shares of Bank of America Corp(NYSE:BAC) were up by 1.90% and currently trading at $12.09

The shares of Wells Fargo & Company(NYSE:WFC) were up by 0.14% and currently trading at $35.31

The shares of Citigroup Inc.(NYSE:C) were up by 2.22% and currently trading at $44.09